



EXPEDITED SPCC SETTLEMENT AGREEMENT
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 7, 901 N. 5th ST., KANSAS CITY, KANSAS 66101

02 APR -5 PM 4:29

Facility Name: Lathrop A Oil Lease

Location: Butler County, Kansas

Owner/Operator: Hillenburg Oil Company (Respondent).

ENVIRONMENTAL PROTECTION
AGENCY-REGION VII
REGIONAL HEARING CLERK

DOCKET NO: CWA-7-2002-0042

On September 13, 2001, an authorized representative of the United States Environmental Protection Agency (EPA) conducted an inspection to determine compliance with the Oil Pollution Prevention (SPCC) regulations promulgated at 40 CFR Part 112 under Section 311(j) of the Clean Water Act (33 U.S.C. § 1321(j)) (the Act), and found that Respondent had violated regulations implementing Section 311(j) of the Act by failing to comply with the regulations as noted on the attached Spill Prevention Control and Countermeasure Inspection Findings, Alleged Violations, and Proposed Penalty Form (Form), which is hereby incorporated by reference.

If Respondent does not sign and return this Expedited Settlement as presented within 30 days of the date of its receipt, the proposed Expedited Settlement is withdrawn without prejudice to EPA's ability to file any other enforcement action for the violations identified in the Form.

This proceeding and the Expedited Settlement are under the authority vested in the Administrator of EPA by Section 311(b) (6) (B) (i) of the Act, 33 U.S.C. § 1321(b) (6) (B) (i), as amended by the Oil Pollution Act of 1990, and 40 CFR §§ 22.13(b) and 22.18(b), published at 64 Fed. Reg. 40137 on July 23, 1999. The parties enter into this Expedited Settlement in order to settle the civil violations described in the Form for a penalty of **\$1,250.00**. This settlement is subject to the following terms and conditions:

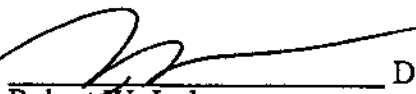
EPA finds that Respondent is subject to the SPCC regulations, which are published at 40 CFR Part 112, and has violated the regulations as further described in the Form. Respondent admits that he/she is subject to 40 CFR Part 112 and that EPA has jurisdiction over Respondent and Respondent's conduct as described in the Form. Respondent does not contest the Inspection Findings, and waives any objections it may have to EPA's jurisdiction. Respondent consents to the assessment of the penalty stated above. Respondent certifies, subject to civil and criminal penalties for making a false submission to the United States Government, that the violations have been corrected and Respondent has sent a certified check in the amount of **\$1,250.00** payable to the "Oil Spill Liability Trust Fund," to: "Commander, National Pollution Funds Center, United States Coast Guard, Ballston Common Office Building Suite 1000, 4200 Wilson Boulevard, Arlington, VA 22203." Respondent has noted on the penalty payment check "EPA" and the docket number of this case.

This Expedited Settlement resolves Respondent's liability for Federal civil penalties for the violations of the SPCC regulations described in the Form. However, EPA does not waive any rights to take any enforcement action for any other past, present, or future violations by Respondent of the SPCC regulations or of any other federal statute or regulations. By its first signature, EPA ratifies the Inspection Findings and Alleged Violations set forth in the Form.

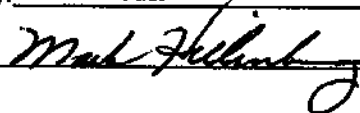
Upon signing and returning this Expedited Settlement to EPA, Respondent waives the opportunity for a hearing or appeal pursuant to Section 311 of the Act, and consents to EPA's approval of the Expedited Settlement without further notice.

This Expedited Settlement is binding on the parties signing below, and is effective upon the Regional Judicial Officer's signature.

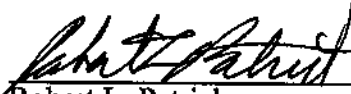
APPROVED BY EPA:

 Date: 2-12-02
Robert W. Jackson
Chief, Emergency Response and Removal Branch
Superfund Division

APPROVED BY RESPONDENT:

Name (print): MARK HILLENBURG
Title (print): MANAGER
Signature: 

IT IS SO ORDERED:

 Date: April 05, 2002
Robert L. Patrick
Regional Judicial Officer

INSTRUCTIONS ON REVERSE

INSTRUCTIONS

The United States Environmental Protection Agency ("EPA") has authority under Section 311 of the Clean Water Act to pursue civil penalties for violations of the Spill Prevention, Control and Countermeasures ("SPCC") regulations. However, EPA encourages the expedited settlement of easily verifiable violations of SPCC requirements, such as the violations cited in this Expedited Settlement Agreement.

You may resolve the cited violations quickly by signing and returning the Expedited Settlement Agreement (Agreement) and paying the penalty amount within 30 days of your receipt of the Agreement. Failure to return the Agreement within the approved time does not relieve you of the responsibility to comply fully with the regulations, including correcting the violations that have been specifically identified by the inspector. If you decide not to sign and return the Agreement and not pay the penalty EPA can pursue more formal enforcement measures to correct the violation(s) and seek penalties of up to \$11,000 per violation up to a maximum penalty of \$27,500.

You are required in the Agreement to certify that you have corrected the violations and paid the penalty amount. The payment for the penalty amount must be in the form of a certified check payable to the "Oil Spill Liability Trust Fund," with the Docket Number of the Expedited Settlement Agreement on the check. The Docket Number is located at the top of the right column of the Agreement.

The Agreement and a copy of the check shall be sent via certified mail to:

Payment of the penalty amount shall be sent via certified mail to

SPCC Enforcement Coordinator
Superfund Division
U.S. Environmental Protection Agency
901 N. 5th Street
Kansas City, Kansas 66101

Commander
National Pollution Funds Center
United States Coast Guard
Ballston Common Office Building,
Suite 1000
4200 Wilson Boulevard
Arlington, Virginia 22203

By the terms of the Agreement, you waive your opportunity for a hearing pursuant to Section 311 of the Clean Water Act. EPA will treat any response to the proposed Agreement, other than acceptance of the settlement offer, as an indication that you are not interested in pursuing this expedited settlement procedure.

If you have any questions, you may contact the EPA Region 7 SPCC Enforcement Coordinator at (913) 551-7695.

RECEIVED


MAR 20 2002

SUPERFUND DIVISION

2/05/02

Spill Prevention Control and Countermeasure Inspection Findings, Alleged Violations, and Proposed Penalty Form

(Note: Do not use this form if there is no secondary containment)
These Findings, Alleged Violations and Penalties are issued by EPA Region 7 under the authority vested in the Administrator of EPA by Section 311(b)(6)(B)(i) of the Clean Water Act, as amended by the Oil Pollution Act of 1990

Company Name Hillenburg Oil Company	Docket Number: CWA 7 - 2 0 0 2 - 0 0 4 2	
Lease Name Lathrop A	Inspection Date 09/13/01	
Company Address 11600 South Lynn Lane Road	Inspection Number F Y - I N S P - 0 1 - 0 8 3	
City: Broken Arrow	Inspector's Name: Scott Hayes	
State: OK Zip Code: 74011	EPA Approving Official: Robert W. Jackson	
Contact: Mr. Harold Hillenburg, Jr.	Enforcement Contacts: Jeff Weatherford Phone Number: (913)551-7695 Scott Hayes Phone Number: (913)551-7670	

Summary of Findings

OIL PRODUCTION FACILITIES (ONSHORE)

GENERAL TOPICS: 112.3(d), (e); 112.5(a), (b), (c); 112.7 (b), (c), (d)
(When the SPCC Plan review penalty exceeds \$1,000.00 enter only the maximum allowable of \$1,000.00 dollars.)

<input type="checkbox"/>	No Spill Prevention Control and Countermeasure Plan	\$ 1,000.00
<input type="checkbox"/>	Plan not certified by a professional engineer	300.00
<input type="checkbox"/>	Plan not maintained on site (applies if facility is manned at least eight (8) hours per day)	100.00
<input type="checkbox"/>	Plan not available for review	100.00
<input type="checkbox"/>	No evidence of three year review of plan by owner/operator	50.00
<input type="checkbox"/>	No plan amendment(s) if the facility has had a change in: design, construction, operation, or maintenance which affects the facility's discharge potential	50.00
<input type="checkbox"/>	Amendment(s) not certified by a professional engineer	100.00
<input type="checkbox"/>	Inadequate or no prediction of equipment failure which could result in discharges	100.00
<input type="checkbox"/>	Plan does not discuss appropriate containment/diversionary structures/equipment	100.00
 Installation of appropriate containment/diversionary structures is impractical		
<input type="checkbox"/>	No contingency plan	100.00
<input type="checkbox"/>	No written commitment of manpower, equipment, and materials	100.00

Written Procedures and Inspection Records 112.7(e)(8)

<input checked="" type="checkbox"/>	Inspections required by 40 CFR Part 112 are not in accordance with written procedures developed for the facility	50.00
<input checked="" type="checkbox"/>	Written procedures and a record of inspections are not signed by facility supervisor	50.00
<input checked="" type="checkbox"/>	Written procedures and a record of inspections are not made part of the plan	50.00
<input checked="" type="checkbox"/>	Written procedures and a record of inspections are not maintained for three years	50.00

Personnel Training and Spill Prevention Procedures 112.7(e)(10)

<input type="checkbox"/>	No training on the operation and maintenance of equipment to prevent discharges	50.00
<input type="checkbox"/>	No training on the applicable laws, rules, and regulations	50.00
<input type="checkbox"/>	No designated person responsible for spill prevention	50.00
<input type="checkbox"/>	Spill prevention briefings are not scheduled and conducted periodically	50.00
<input type="checkbox"/>	Plan has inadequate or no discussion of personnel training and spill prevention procedures ...	50.00

Oil Production Facilities, Onshore 112.7(e)(5)

<input type="checkbox"/>	Accumulated oil in the secondary containment system(s) is not picked up and returned to storage or properly disposed of in accordance with the regulations	200.00
<input checked="" type="checkbox"/>	Field drainage ditches, road ditches, and oil traps, sumps, or skimmers are not regularly inspected for oil, and/or oil is not removed	200.00
Drainage from diked areas:		
<input type="checkbox"/>	Drains for the secondary containment systems at the tank battery(ies) and central treatment stations are not closed and sealed at all times except when rainwater is being drained	300.00
<input type="checkbox"/>	Prior to drainage, rainwater runoff is not inspected to ensure compliance with water quality standards and could cause a harmful discharge	300.00
<input type="checkbox"/>	Bypass valve is not opened and resealed under responsible supervision	100.00
<input type="checkbox"/>	Adequate records of drainage events are not maintained	50.00
For Aboveground Storage Tanks:		
<input type="checkbox"/>	Tank material and construction are not compatible with the oil stored and the conditions of storage	300.00
<input type="checkbox"/>	Secondary containment appears to be grossly inadequate for tanks and central treating installations	500.00
<input type="checkbox"/>	Materials of construction are not sufficiently impervious	250.00
<input type="checkbox"/>	Excessive vegetation which affects the integrity of the containment system	100.00
<input type="checkbox"/>	Walls of containment system are slightly eroded or have low areas	200.00

<input checked="" type="checkbox"/>	Drainage from non-diked areas does not flow to a catchment basin or holding pond	500.00
<input type="checkbox"/>	Visual tank inspections are not conducted periodically by appropriate personnel and/or inspections do not include tank foundation and supports	300.00
<input type="checkbox"/>	Tank battery installations are not "fail-safe" engineered because <u>none</u> of the following are present	300.00
(1) Adequate tank capacity to prevent tank overfill; (2) Overflow equalizing lines between the tanks; (3) Vacuum protection to prevent tank collapse; (4) High level alarms to generate and transmit an alarm signal where facilities are part of a computer control system.		

Facility Transfer Operations

<input type="checkbox"/>	Above ground valves and pipelines are not examined periodically on a scheduled basis for general condition (includes items, such as: flange joints, valve glands and bodies, drip pans, pipeline supports, bleeder and gauge valves, polish rods/stuffing box.)	300.00
<input checked="" type="checkbox"/>	Brine disposal facilities are not examined often	300.00
<input type="checkbox"/>	Inadequate or no flowline maintenance program (includes: examination, corrosion protection and, flowline replacement)	300.00
<input checked="" type="checkbox"/>	Plan has inadequate or no discussion of oil production facilities	50.00

TOTAL \$ 1,250.00

Additional violations which must be corrected:

1. Maps, sketches, or drawings should show locations of storage tanks, loading/unloading areas, flow lines to wells and direction and route of facility drainage flow to the waterway;

In addition, there was no containment for the loading/unloading area of the facility as required by 40 CFR, Part 112.7 (e)(4). If a spill to a waterway were to occur from the truck during loading/unloading, the owner/operator could be held responsible for the cleanup and for any penalties assessed as a result of the spill and/or lack of containment.



P.O. Box 130
Broken Arrow, OK 74013
918 251-8611 • Member FDIC

Docket#CWA-7-2002-0042

REMITTER: HILLENBURG OIL COMPANY

DATE 3/18/02

OIL SPILL LIABILITY TRUST FUND

EXACTLY **1250 AND 00/100 DOLLARS

\$ 1,250.00

CUSTOMER - FILE COPY

CASHIER'S CHECK

ARKANSAS VALLEY STATE BANK

AUTHORIZED SIGNATURE

NOT NEGOTIABLE

IN THE MATTER OF Lathrop A Oil Lease, Respondent
Docket No. CWA-07-2002-042

CERTIFICATE OF SERVICE

I certify that the foregoing Expedited SPCC Settlement Agreement was sent this day in the following manner to the addressees:

Copy hand delivered to
Attorney for Complainant:

Kristina Kemp
Assistant Regional Counsel
Region VII
United States Environmental Protection Agency
901 N. 5th Street
Kansas City, Kansas 66101

Copy by Certified Mail Return Receipt to:

Mark Hillenburg, Manager
Hillenburg Oil Company
11600 South Lynn Lane Road
Broken Arrow, Oklahoma 74011

Dated: 4/8/02



Kathy Robinson
Regional Hearing Clerk